

In The Matter Of:
Hodell-Natco Industries., et al. v.
SAP America, Inc., et al.

Eric Johnson
July 19, 2012

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Johnson.txt
Min-C-Script® with Word Index*

IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

HODELL-NATCO INDUSTRIES,
INC.,

Plaintiff,

vs.

SAP AMERICA, INC., SAP AG,
LSI-LOWERY SYSTEMS, INC.,
THE IBIS GROUP, INC.,

Defendants.

STATE OF ILLINOIS)
COUNTY OF COOK) SS.

No. 1:08-cv-02755

The videotaped deposition of ERIC JOHNSON
taken before April M. Metzler, Certified Shorthand
Reporter and Certified Realtime Reporter, at 191 North
Wacker Drive, Suite 3700, Chicago, Illinois, commencing
at 1:30 p.m. on the 19th day of July, A.D., 2012.

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1 A. Wrong decade.

2 Q. Were you continuously employed by IBiS up
3 until early 2004?

4 A. I did take a break for six months in 1999, due
5 to Y2K, but I came back. So it was -- other than that,
6 it was continuous.

7 Q. Did you have a job title while you were with
8 IBiS?

9 A. Well, I was the director of software for a
10 while, because that was the DOS. Then I believe I
11 turned into the lead programmer.

12 Q. Prior to -- well, strike that.

13 When did you first start working with the SAP
14 Business One software?

15 A. It was in 2004, after Lowery had acquired
16 IBiS.

17 Q. How long -- strike that.

18 When Lowery acquired IBiS, you went to work
19 for the LSi -- LSi-Lowery; is that correct?

20 A. Yes.

21 Q. How long did you stay put with LSi-Lowery?

22 A. Until September of 2008.

23 Q. What was your job with LSi?

24 A. I believe I was just an SAP developer at that
25 point.

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1 Q. What were your job functions, duties?

2 A. It's really to develop the InFlight for SAP.

3 Q. Were you the lead programmer on the InFlight
4 program?

5 A. There were two of us. There was Joe Guagenti
6 and myself. I would say that I did slightly more than
7 half of the work.

8 Q. September 2008 you no longer were with LSi.
9 What was your next employment?

10 A. I went to work for a company called AchieveIT
11 Solutions out of New York. They're also an SAP
12 affiliate.

13 Q. Are you still with AchieveIT?

14 A. Yes.

15 Q. Marcia Weissman testified earlier today she
16 also went to work for AchieveIT.

17 Were there other employees that were formerly
18 with LSi, besides yourself and Ms. Weissman, who also
19 went to work for AchieveIT?

20 A. Yes, yes. There was myself, Marcia, Pat
21 McGrath, Joe Guagenti and Marina Tollis (phonetic).

22 Q. What is your current job at AchieveIT?

23 A. I'm an SAP developer. I write the add-ons for
24 SAP.

25 Q. So is it fair to say that since sometime in

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1 early 2004 up to the present, you've been working on the
2 Business One software, developing add-ons for the
3 Business One software?

4 A. Yes.

5 Q. Presently do you work exclusively on Business
6 One add-ons, or do you work with other software packages
7 from other software vendors?

8 A. No. It's just Achieve One -- I'm sorry --
9 just Business One.

10 Q. Just Business One?

11 A. (Nodding.)

12 Q. Describe for me your role, with respect to the
13 Hodell-Natco project in the development and
14 implementation of software for Hodell.

15 A. Well, I was given the specifications for the
16 modules for InFlight, and it was my job to code.

17 Q. Who developed the specs for InFlight?

18 A. It was Dale Van Leeuwen.

19 Q. Were you involved at all in the sales effort
20 to sell a solution to Hodell --

21 A. No.

22 Q. -- by ...

23 You were only involved after the sale was
24 made; is that right?

25 A. Yes, that's correct.

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1 causing performance problems at Hodell?

2 A. There were some bugs in InFlight.

3 Q. Were those bugs worked out at some point in
4 time?

5 A. I believe toward the end of 2008 they had been
6 worked out.

7 Q. What, to your knowledge, was the status of the
8 SAP solution at Hodell at the time you left LSi in
9 September 2008?

10 A. Well, we had -- Hodell was version 1 and we
11 had already sold version 2, so we were moving on to the
12 next InFlight installation.

13 Q. Okay. Version 1 of InFlight?

14 A. Of InFlight, yes.

15 Q. Okay. Well, do you -- did you have any
16 personal knowledge as, for instance, to whether Hodell
17 was running its business on the SAP solution or whether
18 it had gone to a different solution by September of
19 2008?

20 A. No, I thought they were running SAP.

21 Q. Were you personally made aware as of
22 September -- or on or around September of 2008 of any
23 performance issues that Hodell was experiencing with the
24 Business One solution?

25 A. No. At that point we were -- I thought it had

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1 BY MR. STAR:

2 Q. Are there any specific recommendations that
3 you personally made to Hodell, after the go-live, as a
4 means to try to increase the performance that they were
5 experiencing?

6 A. I don't believe so, not that I remember.

7 Q. To your knowledge, was there ever a period of
8 time where -- while you were still with LSi, where the
9 SAP solution with InFlight, Radio Beacon was operating
10 at a satisfactory level for Hodell?

11 A. I thought it was. I mean, after the -- after
12 a certain period of time, after the go-live, we -- it
13 ironed out the bugs and --

14 Q. At what point in time did you think it was
15 operating adequately for Hodell?

16 A. Probably two to three months afterwards.

17 Q. So by, what, May or June?

18 A. Yes.

19 Q. Of 2007?

20 A. Because we moved on to the next customer, so I
21 was assuming that it was correct.

22 Q. Did there come a point in time, while you were
23 still with LSi -- let me ask a better question.

24 At any point between May or June of 2007 when
25 you thought that everything was performing adequately at

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1 Q. And how many users were they running?

2 A. I believe that there were 85, with Radio
3 Beacon.

4 Q. With InFlight?

5 A. No. InFlight's dead.

6 Q. Can you show Mr. Johnson Exhibit 69?

7 MR. HULME: What's Exhibit 69?

8 MR. LAMBERT: It's the exhibit labeled 69.

9 BY THE WITNESS:

10 A. (Reviewing exhibit.)

11 Q. Please review Exhibit 69 and let me know when
12 you've finished.

13 A. (Reviewing exhibit.)

14 Wow.

15 Q. Have you ever seen Exhibit 69 before?

16 A. No, I have not.

17 Q. Did you find anything in Exhibit 69 to be
18 interesting?

19 A. Yes.

20 Q. And what is that?

21 A. Well, I did like the -- what was it? Too bad
22 we didn't know about it beforehand, or something like
23 that.

24 Q. Too bad we didn't stop the implementation
25 before it started --

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1 A. -- too bad we didn't stop the implementation
2 of B1 before it started, from an Udi.

3 Q. Do you know who Udi Ziv is?

4 A. The name looks familiar, but I don't know for
5 sure who it is.

6 Q. I'll represent to you that he was the head
7 developer for SAP Business One.

8 A. That's why it looks familiar.

9 Q. Do you see his e-mail on the third page of
10 that document dated April 12, 2007 at 2:51 p.m.?

11 A. Yes.

12 Q. He states: I honestly do not know what to
13 tell you, someone has sold to the wrong customer, which
14 is way above any sane B1 sweet spot. You see that?

15 A. Yes.

16 Q. No mention of InFlight in that e-mail, is
17 there?

18 A. No, no, there is not.

19 Q. So there's no mention of Radio Beacon in that
20 e-mail, is there?

21 A. No, no, there's not.

22 Q. Does that change your opinion with regard to
23 any of the conclusions you have reached here today?

24 A. You mean as to how if Business One is a stable
25 package or ...

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1 Q. As to whether Business One was an appropriate
2 software solution for Hodell-Natco.

3 A. Well, I believe it was, but apparently not.

4 Q. Did anyone communicate to you at or around
5 this time that someone within SAP had concluded that
6 Business One -- or that Hodell was not within any sane
7 sweet spot for SAP Business One?

8 A. No.

9 Q. Is that information you would have liked to
10 have known?

11 A. I don't know if it would have made a
12 difference, though.

13 Q. Would it have helped your troubleshooting
14 efforts?

15 A. Perhaps, yeah, perhaps it would have.

16 Q. Would it have helped you focus your efforts on
17 resolving some of the performance problems that
18 Hodell-Natco was experiencing?

19 MR. STAR: Objection to form.

20 BY THE WITNESS:

21 A. It may have, but I don't know if it would have
22 actually allowed us to do anything about it, because we
23 were -- didn't -- in order to write into the SAP
24 database, you needed to use their DIAPI.

25 Q. Do you recall during the period between

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1 go-live and your involvement with Hodell ceasing Dan
2 Lowery communicating to you that SAP believed the core
3 problem at Hodell-Natco is it related to the InFlight
4 software?

5 A. No, I don't remember this.

6 Q. You're not aware that SAP was blaming the
7 performance problems Hodell was experiencing to poor
8 coding with respect to InFlight?

9 MR. STAR: Objection to form.

10 BY THE WITNESS:

11 A. Oh, I'm sure that they probably did, actually.

12 Q. Do you agree with that?

13 A. But, no, I was not aware of it. No, I think
14 the InFlight was coded very well.

15 Q. Can you turn to -- can you show him
16 Exhibit 159.

17 Have you ever seen Exhibit 159 before?

18 A. No, no, I have not.

19 Q. Do you know who Dan Kraus is?

20 A. He rings a bell. He's an SAP salesman, I
21 believe.

22 Q. Are you aware that as of April 17, 2007 Dan
23 Kraus had stated that there was no go-forward path here
24 with Business One?

25 A. No.

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1 Q. Can you turn to Exhibit 161.

2 I'm always getting it -- do you know who Eddy
3 Neveux is?

4 A. Yes. I have exchanged e-mails with him. He's
5 a ...

6 Q. He is a solution --

7 A. -- a developer or if he is just the developer
8 helper.

9 Q. Well, take a look at Exhibit 161.

10 A. (Reviewing exhibit.)

11 Q. Do you see Mr. Neveux's e-mail to John Luigi
12 Bagnoli dated June 13, 2007?

13 A. Yeah.

14 Q. It starts at the bottom of the first page and
15 continues on to the second page.

16 A. Yes.

17 Q. Do you find anything in that e-mail
18 informative?

19 A. Well, just the number of items being a hundred
20 thousand is bad. It indicates that there's a problem --
21 there is a problem with SAP.

22 Q. Without any add-on, correct?

23 A. Without any add-ons.

24 Q. And that also there is not -- he doesn't think
25 they're going to find much, if anything, with respect to

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1 the DIAPI?

2 A. No.

3 Q. Do you recall the DIAPI being an issue?

4 A. Just with performance. It was -- it is slower
5 than direct SQL access.

6 Q. And the DIAPI is part of the Business One core
7 product, right?

8 A. Yes, yeah. It's their software development
9 kit.

10 Q. Was any of the information that Mr. Neveux is
11 imparting in Exhibit 161 made aware to you or made
12 available to you during the Hodell-Natco project?

13 A. No.

14 Q. Is that information you would have liked to
15 have had?

16 A. For the develop -- figuring out why it was
17 slow? Perhaps.

18 Q. What about the e-mail on the first page, John
19 Luigi Bagnoli's reply e-mail to Mr. Neveux: From the
20 numbers I see, the customer is simply outside of the
21 area B1 is supposed to cover. You see that statement?

22 A. Yes.

23 Q. Does that change any of the opinions you've
24 stated to Mr. Star earlier?

25 A. Oh, I suppose it would have to, so, yes.

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1 MR. LAMBERT: Roy, can you show Mr. Johnson
2 Exhibit 162?

3 MR. STAR: Which one?

4 MR. LAMBERT: 162.

5 BY MR. LAMBERT:

6 Q. Now, I'm going to refer just to the first
7 e-mail on that exhibit. You're welcome to look at the
8 entire thing, if you like.

9 A. Okay.

10 (Reviewing exhibit.)

11 Q. Does anything in Exhibit 162 cause you to
12 change any of the opinions you rendered to Mr. Star a
13 little bit earlier?

14 A. Yes.

15 Q. Why is that?

16 A. Because apparently Business One, up until
17 version 2007, still couldn't handle the size that
18 Hodell-Natco was for datawise.

19 Q. In fact, isn't it stating in Exhibit 162, that
20 top e-mail, that SAP Business One hadn't even tested up
21 to that level; is that correct?

22 A. That is correct.

23 Q. Does that -- did you have that understanding
24 during your involvement with the Hodell-Natco project?

25 A. No.

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1 Q. Is that information you would have liked to
2 have known?

3 A. I suppose, yes. We wouldn't have had to do so
4 much work on InFlight.

5 Q. Why were you doing so much work on InFlight?

6 A. Thought I would rewrite it to increase
7 performance.

8 Q. You were rewriting it to increase performance,
9 because you had been told by people at SAP that InFlight
10 was the problem, not SAP Business One?

11 A. I think we were doing it because it was the
12 only thing we had control over.

13 Q. Who had control over the Business One aspect
14 of it?

15 A. That would have been the SAP developer.

16 Q. Mr. Neveux makes the comment in the second
17 paragraph of Exhibit 162 at the top e-mail, Unless the
18 performance issue is with large data sets of this
19 magnitude are handled in Business One 2007 A, there is
20 nothing we can currently recommend to make performance
21 better, as this core issue is a Business One issue in
22 its own base code. You see that statement?

23 A. Yes, I do.

24 Q. What's your understanding of what the base
25 code means?

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1 One. You see that?

2 A. Yes, I do.

3 Q. Again, is that new information to you?

4 A. Yeah, that is new.

5 Q. Show him Exhibit 167.

6 A. (Reviewing exhibit.)

7 Q. I was going to ask you about the top e-mail on
8 Exhibit 167. You can review the whole thing.

9 Let me know when you're finished.

10 A. Oh, okay.

11 Q. I'm sorry.

12 A. Just the top part, right?

13 Q. Do you agree with the assessment by -- I'm not
14 sure how to pronounce that name -- do you agree with the
15 statement regarding the bad coding?

16 MR. STAR: Where are you referring?

17 MR. LAMBERT: The top e-mail on page 16- -- or
18 Exhibit 167.

19 BY THE WITNESS:

20 A. It could be an issue, yes.

21 Q. You agree there was bad coding in the add-ons?

22 A. I don't think so.

23 Q. Okay.

24 A. At least not in InFlight.

25 Q. Well, why don't you look at Exhibit 165 then.

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1 Q. And nobody else?

2 A. Yeah, nobody else.

3 Q. All right. And you definitely were not told
4 that the SAP Business One product was not appropriate
5 for somebody of the configuration of Hodell-Natco,
6 correct?

7 A. No.

8 Q. Is that a correct statement?

9 A. That is correct.

10 Q. You were not told?

11 A. I was not. I would not have continuously
12 rewritten InFlight, if I had been told that it was a
13 Business One issue.

14 Q. And had you known that Business One was not
15 designed for a company with the characteristics of
16 Hodell-Natco, before you started your development
17 project, would you have undertaken the development
18 project?

19 MR. STAR: Objection, form.

20 BY THE WITNESS:

21 A. Well, I would have, because it was my job.

22 Q. Okay. Would you have made a recommendation to
23 someone as to whether you should undertake --

24 A. I would have, yes.

25 Q. To whom?

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1 A. Probably at that point I would have gone to
2 Dale first, because he was still around.

3 Q. All right. And from -- how long had you
4 worked with Dale?

5 A. Oh, since '91, for a very long time.

6 Q. Okay. And based on your experience with Dale,
7 had you told him your opinion -- that you should not
8 undertake the development project of InFlight with
9 Business One for Hodell-Natco -- what is your opinion as
10 to what he would have done?

11 A. He may or may not have -- usually 50/50 if he
12 was going to take advice or not.

13 Q. How much of your time in 2005 was devoted to
14 this development project for Hodell-Natco?

15 A. Oh, 100 percent of my time.

16 Q. And what about in 2006?

17 A. It was all up until the end. It was
18 continuous.

19 Q. So even in 2007?

20 A. Yeah. My sole focus was the SAP, InFlight.

21 Q. And what about Joe's time?

22 A. Well, he did some custom add-ons for other SAP
23 clients -- affiliates, customers, it was mostly for
24 InFlight.

25 Q. In 2005, based upon your observations, what

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1 would you approximate the amount of time he spent? Not
2 the amount of time, but the percentage of his time.

3 A. At 2005?

4 Q. Yeah.

5 A. It would have been 100 percent.

6 Q. Okay. What about in 2006?

7 A. I would say probably 90 percent.

8 Q. Okay. And what about 2007?

9 A. Yeah, then it kind of went down more toward
10 50 percent.

11 Q. And who else was involved in the Hodell-Natco
12 project in 2005?

13 A. In 2005 I think it was just Jon Woodrum, Dale,
14 Joe, myself, and probably Marcia was testing.

15 Q. Do you have any opinions as to how much of
16 Jon's time was spent on Hodell in 2005?

17 A. Probably not much, because at that point we
18 didn't have much really.

19 Q. Okay. What about 2006?

20 A. Then it started being more, probably -- we saw
21 him more, because he was out of Saint Louis, so probably
22 about 50 percent.

23 Q. And what about 2007?

24 A. He actually tapered off. I guess that would
25 be 2008 that he tapered off, so he was still around the